GOVERNMENT OF INDIA
TEXTILES
LOK SABHA

UNSTARRED QUESTION NO:3463
ANSWERED ON:23.03.2017
Margin Money of Traders
Pandula Dr. Ravindra Babu

Will the Minister of TEXTILES be pleased to state:

(a) whether Handicrafts and Handlooms Export Corporation of India Limited (HHEC) has permitted the business of import of bullion and gold trading to private commodity traders under RBI:20:80 Gold Import Policy after accepting refundable margin money from traders;

(b) if so, the details of practice or procedure for accepting margin money from private traders with the total amount accumulated so far during the last three years, company-wise;

(c) the total amount of margin money refunded so far after expiry/execution of agreements to traders, company-wise; and

(d) the accounting head under which the said margin money is shown in HHEC's annual statement of accounts?

Answer

MINISTER OF STATE FOR TEXTILES
(SHRI AJAY TAMTA)

(a) & (b): Yes, Madam. HHEC has permitted the business of import of bullion and gold trading under RBI 20:80 Gold Import Policy.

As per agreement, the bullion buyer is required to deposit with HHEC Margin money @5% of the provisional value at the time of placement of indent. Further, Margin money @30% of the value of gold meant for export towards custom duty and VAT is also deposited by bullion buyers before taking delivery. Such deposit money is released by HHEC in the form of refund or adjustment made against any dues payable to HHEC. Hence, there is no accumulated amount during the last three years on this account.

(c): Party wise details of margin money received & subsequently refunded/adjusted is given below:-

S. No. Name of the Company Amount (Rs. In Crores)

1. M/s Atma Ram Amar Nath- 15.86
2. M/s Pannal Lal M Chandra Jewellers 74.70
3. M/s SMC Comtrade Ltd. 24.04
4. M/s Supreme Gold 58.04
5. M/s Gold and Silver Trading Pvt. Ltd. 4.16

Total 176.80

(d): The Margin Money is shown under the Accounting Head "Other Current Liabilities" in Annual Statement of Accounts of HHEC.

******